

June 18, 2012

Ms. Lorraine Doo  
Acting Deputy Director and Senior Policy Advisor  
Office of E-Health Standards and Services  
Centers for Medicare and Medicaid Services  
Hubert H. Humphrey Building  
200 Independence Avenue, SW  
Washington, DC 20201

**RE: NCVHS Subcommittee on Standards – ACA Health Plan Compliance Certification**

Dear Lorraine:

On behalf of Edifecs and our employees, I appreciate the opportunity to provide written testimony in anticipation of the June 20 NCVHS hearings under the topic of “**ACA Health Plan Compliance Certification – Initial Ideas**”. Based on our long history working with customers and the industry to support compliance mandates certification and testing, Edifecs has a solid understanding of industry best practices to support future compliance certification needs as more mandates approach. We are pleased to share with you our experiences and recommendations as you explore ideas for ACA Health Plan Compliance Certification.

**Edifecs Experience with Compliance Certification and Testing**

Since 1996, Edifecs has been working with customers and the industry to design and implement transaction processing solutions that are compliant with federal mandates, including HIPAA 4010 and 5010, as well as ICD-10. Today, our customer base includes the following:

- **Blue Plans.** 46 of the 64 Blue Plans use Edifecs software, covering 36 states.
- **Commercial Plans.** 50 of the largest commercial plans in the U.S. use Edifecs software to help manage over 82 million members, a 1/4 of the country's population.
- **Providers and Integrated Delivery Networks.** 112 provider organizations, including the largest IDN in the United States, use Edifecs software.
- **Public sector.** 60% of U.S. Medicaid recipients are supported by our software, which is used by 31 of the 50 state Medicaid organizations.

For many years, Edifecs has been assisting the industry as a whole in the effort to adopt and implement new standards quickly, and efficiently. The tools, technologies and services that we provide include the following:

1. **Free software for standards development groups:** Edifecs supports the work of such groups as X12 by offering no-cost access to our market-leading standards development and publication tool, Edifecs SpecBuilder.
2. **Full support for mandated standards:** Since the beginning of 2009, Edifecs has provided customers with full support for the mandated HIPAA 5010, National Council for Prescription Drug Programs and ICD-10 code sets standards.
3. **Web-based compliance testing and certification services:** We first offered free testing and certification against the mandated HIPAA standards in 2003 for the migration to the 4010 versions, and in keeping

with that tradition of service, offered free testing and certification against the 5010 versions of the standards. Both services are still available, now at a nominal fee.

4. **Free comparison guides:** Edifecs provides no-cost access to documentation that compares 4010 and 5010 versions of the standards, with business insight and content for effective gap analysis and impact assessment.
5. **Free CAQH CORE certification testing:** Edifecs is a strong backer of CAQH Committee on Operating Rules for Information Exchange (CORE) and the work that is being done to help reduce administrative burden on both health plans and providers. For this reason, Edifecs provides free access to stakeholders that wish to certify their systems for compliance against CORE Phase I and Phase II rules. In addition to no-cost access to the test suite, Edifecs has donated thousands of man-hours to support the CORE Initiative, in both development and support analyst functions for stakeholders during the testing process.

In this spirit and based on our rich experience in the area of compliance certification and testing, we offer you and the NCVHS Subcommittee on Standards the following ideas and best practices that we believe should be considered as part of future certification and testing program definition.

### **Edifecs Point of View and Support for Certification Testing and Documentation**

Edifecs strongly believes that Certification Testing and Documentation standards for both HIPAA Transactions and Code Sets compliance, along with compliance with Operating Rules for the named Transactions are essential to ensuring that the industry receives the full financial and process benefits of format and usage standardization. A rigorously-defined and executed Certification Testing and Documentation program is vital to ensure that each organization that tests and certifies is doing so against the exact same set of standards and rules as every other organization that is testing and certifying. The alternative, which may allow organizations to define and interpret what constitutes compliance with standards and rules prior to attestation to the Secretary, is a recipe for fragmented and inconsistent implementation, in addition to exposing those organizations to enormous financial risk of penalties as may be determined during the audit process, as mentioned in the Act. Failure to be prescriptive could destroy the very value Administrative Simplification promises.

Our experience tells us that success in testing and certification efforts hinges on a programmatic approach, which applies technology-based platforms that have the following 7 key capabilities:

1. Allows “community enablement” in the form of content, programs, tasks, reports and guidelines to be developed by business users conversant with the requirements and objectives of the effort
2. Creates consistent application of rules for standards being tested in a fully automated fashion
3. Provides immediate feedback on results achieved in a form a business user can understand
4. Pinpoints precisely where errors occurred and the reason(s) for the failure
5. Is available 24/7/365 to accommodate all testing partner business or system availability/schedule challenges
6. Documents the entire process – submitted test scenario, results, re-test and resolution workflow steps
7. Contains a built-in community engagement communications function, with user profile and contact information, email and issues management functions
8. Provides dashboard views and reports of the entire testing process for individual entities, as well as aggregation of the entire community’s progress toward successful completion of testing efforts against the defined set of scenarios

Edifecs has provided such capabilities to the industry for many years to payers, clearinghouses, Medicaid agencies, as well as CAQH’s CORE Initiative. We strongly recommend that the Committee advise the Secretary

that it is not necessary to “re-invent the wheel,” and to review the applicability and potential use of existing programs with a proven track record of success, as we outline below.

### **Key Considerations Based on Lessons Learned from Certification Testing**

Edifecs has supported CAQH CORE as an authorized Certification Testing Vendor since 2006. The relationship between CORE and Edifecs was formalized after Edifecs responded to an RFP issued by CORE, and our proposed program was evaluated and piloted by a CORE team comprised of knowledgeable industry stakeholders and CAQH staff (see outline of current certification process under Appendix A).

Since our selection as an authorized Certification Testing Vendor, Edifecs has performed certification testing using our automated testing platform and support staff, and as of today, Edifecs has enabled:

- 59 health care organizations to become voluntarily certified for Phase I Operating Rules
- 27 health care organizations to become voluntarily certified for Phase II Operating Rules.

Edifecs is also a CORE Endorser organization, and has participated in helping define the content of the Rules, as well as the process for testing for compliance with the Rules. This included helping to define and structure the test cases that allow an organization to demonstrate compliance.

#### Consideration 1: Automation and Subject Matter Expertise are Crucial to Success

The CORE Rules are very detailed and contain very specific examples of how the Rules should work, yet we have found that, in practice, different participants interpret the Rules based on their understanding. Many organizations seeking certification find that issues do arise during testing and that they must revisit their interpretation and make changes to their systems’ designs and configurations in order to achieve compliance. A critical success factor for the rapid achievement of Rule compliance across a large number of organizations is a consistent, automated application of compliance criteria that provides immediate feedback to the entity in the testing process, coupled with knowledgeable support staff. With a consistent, automated application of the criteria, immediate feedback and access to expert resources, most organizations have been able to achieve compliance in a straightforward manner. The feedback on the process has been overwhelmingly positive.

#### Consideration 2: Test Case and Script Development Should Account for Health Plan Unique Data Requirements

Once standards and Rules are defined, the process of enabling certification testing begins with detailed test script and test case development. A best practice is the process followed by CAQH CORE, which includes input from all stakeholders, with the decisions being voted upon by the applicable sub-workgroup, and subsequently approved or sent back for re-work by the authoring body. The idea of having consistent, uniform test scripts and cases is another mechanism which allows for more consistent application of Rules compliance criteria across the range of organizations testing. Uniform test scripts and cases also accommodate the unique needs of individual entities, such as a health plan requiring specific member IDs and group policy IDs to deliver expected results in response transactions.

#### Consideration 3: BOTH Standards and Operating Rules Testing/Certification are Required

The requirements under a mandated Certification Testing and Documentation program are well beyond what CORE has performed on a voluntary basis. In the ACA text, it stipulates that health plans will have to certify compliance with both HIPAA transactions and code set standards, as well as the associated Operating Rules for that transaction. CORE certification testing does not currently include this component, although the Edifecs platform has this function as a core capability. CAQH specifically asked that we not test for compliance with the applicable X12 standard, but test for compliance with CORE Rules within that X12 framework. In other words, Edifecs did not perform “WEDI-SNIP” edit checks on the transactions – we simply configured the software to not

indicate an X12 error. However, this will not be possible in a new Certification Testing and Documentation program. If plans are to certify compliance with both the standards and the associated Operating Rules, they must be tested against both, as well. Fortunately, this capability is present within the existing CORE testing platform we supply, and requires nothing more than a simple configuration change to enable the capture of compliance against WEDI-SNIP edits, as well as compliance with Operating Rules. As we have offered in our previous testimony to this Subcommittee, we would be delighted to work with the appropriate stakeholders to determine and resolve any variation in compliance edits among health plans, providers and vendors to ensure consistent application of HIPAA X12 edits, as well as Operating Rules compliance.

Consideration 4: Account for Variation in Technical Testing Environment Capabilities for End-to-End Testing

A problematic situation we have seen with several CORE testing entities – that is not uncommon in many health plan IT environments today – are test “regions” of back end systems that are not exposed to external entities, given security concerns or software licensing limitations. The testing program and its platform should have the ability to “emulate” the required end-to-end testing with trading partners, without necessarily having to leverage production EDI channels. For example, the functionality exists in our platform that would allow a submitter, such as a hospital, to upload an X12 claim file via a portal into a particular health plan’s “mailbox”. The health plan test administrator would be automatically notified that a file has been uploaded, and could access that file and save it on a local (inside the plan’s firewall) directory, which is being polled by the back end system for files to be processed.

Once the response transaction is created by the plan’s test region, it can be uploaded into the same portal, into the provider’s mailbox, with a notification to the provider’s test administrator. The provider can then place the response transaction into their own test instance of registration or patient accounting system, and results can be validated. This sort of limitation is not uncommon among both health plans and providers, and a means to perform end-to-end testing in emulation mode is advisable in order to keep costs low for participants who might not be able to afford a complete back-end environment that mirrors production in totality.

Consideration 5: Leverage What Has Worked Successfully in the Marketplace

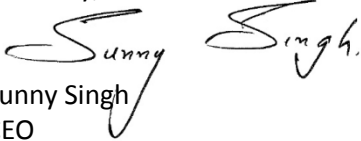
We encourage the Subcommittee to review the process and results of the CAQH CORE voluntary program. As it was developed over a lengthy period, with input from numerous stakeholders, and has proven to be a successful and useful part of the voluntary program, it is logical for the program to be re-used in the new mandated environment. Edifecs stands ready to assist the Subcommittee and other relevant stakeholders in that process.

We all understand that certification testing does take time and resources on the part of the candidate seeking certification, as well the certification testing entity. However, as CAQH CORE has proved in their study of Operating Rules implementation results, with a thoroughly defined process and support of all stakeholders, the end results will more than pay for themselves. By leveraging the best practices and automation capabilities of an industry-proven certification testing process, HHS can ensure the efficiencies and lessons learned from the voluntary program will be available to the multitude of entities that will now be required to certify and document their compliance with both transaction standards and associated Operating Rules. Leveraging existing capabilities will “jump start” the industry on the path ahead, leading to higher level of standardization more quickly, ultimately to the realization of the promise of Administrative Simplification:

- Improved quality due to fewer manual processes which are prone to human error
- Reduction in overall cost associated with manual processes
- Higher level of satisfaction between trading partners creating a more collaborative work environment
- Easier adoption of future standards

Edifecs appreciates the opportunity to comment and I am available to share further viewpoints based on conversations the company continues to have with its customers and industry.

Sincerely,

A handwritten signature in black ink that reads "Sunny Singh". The signature is written in a cursive, flowing style with a large initial "S" and a distinct "Singh" at the end.

Sunny Singh  
CEO  
Edifecs, Inc.

Appendix A: CAQH CORE Certification Testing Process Flow

### Appendix A CAQH CORE Certification Testing Process Flow

